

## **Testimony to the Senate Select Committee on Workers' Compensation**

by

Dubravka Romano

Associate Executive Director, Risk Management Services  
Texas Association of School Boards

Good afternoon, Mr. Chairman and Members!

Thank you for the opportunity to address you today. My name is Dubravka Romano. I am the Associate Executive Director of Risk Management Services for the Texas Association of School Boards. As you know, TASB's membership is comprised of school districts, educational service centers and other educational entities. Although membership in TASB is voluntary, we are very proud of the fact that all 1042 school districts in Texas are members of TASB. My job at TASB is to oversee the operations of the TASB Risk Management Fund. The Fund is a not-for-profit collective self-insurance program thru which school districts and other local governments self-insure their risk exposures. The Fund provides workers' compensation, property, liability, unemployment compensation coverages, as well as administrative services to school districts that self-insure their employee health insurance. The oldest of the Fund's programs is our workers' compensation program, which was created in 1974.

School districts and other local governments have unique concerns about our workers' compensation system. Unlike private employers, local governments are not able to opt out of the workers' compensation system and find more effective solutions for caring for injured employees. Thus, our members have a strong interest in ensuring that the WC system delivers on the promise of appropriate medical care for injured workers at a reasonable cost to the employer. However, concern about school districts' workers' compensation costs is not limited to the education community. Since workers' compensation costs are funded largely by tax dollars, it is in everyone's interest to ensure that school districts can care for their injured employees in the most cost-effective manner.

TASB and the TASB Risk Management Fund are in the unique position of having experience with both health insurance and workers' compensation programs, as we provide both kinds of services to our members. Our health insurance program has used preferred provider networks for over 10 years as a tool to forge relationships with medical providers that result in appropriate medical care to the patient, and quick and efficient payment to the providers. We believe that similar opportunities exist to partner with the medical community in delivering care to injured workers. We have been using a preferred provider network for our workers' compensation program since 2001 and that arrangement has saved our participating school districts over \$3 million during that time. Our existing network arrangement is completely voluntary and invisible to the employee, but results in significant savings to the participating school district. We believe that even greater savings could be achieved if care could be directed to in-network providers, much like it is in the delivery of health insurance. Our experience with both health insurance and workers' compensation programs clearly shows that medical care provided under the workers' compensation system is significantly more costly than the treatment provided for an off-the-job injury. In other words, a broken arm sustained off the job, costs less than to treat than a broken arm sustained on the job.

We believe that the reasons for the disparity in these delivery systems are the adversarial nature of workers' compensation and the exceptionally cumbersome and ineffective regulatory environment. We also believe that there are better ways for school districts to care for their injured employees than the current system allows, and we look forward to working with the Committee on identifying those opportunities.

Thank you again for your time this afternoon and I will be happy to answer any questions.